

**BOARD OF INVESTMENT TRUSTEES  
MONTGOMERY COUNTY EMPLOYEE RETIREMENT PLANS**

**MINUTES – CLOSED SESSION**

January 23, 2015

101 Monroe Street, 9<sup>th</sup> floor  
Rockville, Maryland

Board Members Present: Jennifer Barrett via telephone  
Joseph Beach  
Arjan Berkelaar  
Jeffrey Buddle via telephone  
Stephen Farber  
David Locke  
Gino Renne  
Kelda Simpson  
Diane Wurdeman

Staff: Linda Herman  
Marc Esen  
John Feketekuty  
Pat Paoli  
Akiko Kawashima

Others Present: Brad Atkins, Franklin Park  
Lorraine Corlet, Franklin Park  
Amy Moskowitz, Counsel to the Board

***CALL TO ORDER***

Ms. Barrett called the retirement board meeting to order and accepted a motion to move into a joint closed session with the CRHBT Board to discuss personnel matters. Ms. Herman distributed organization charts which discussed the current staff organizational structure and recommendations that the Board consider changing the organizational structure to better align it with the asset allocation approved by each Board, as well as to move non-investment duties to accounting personnel. After discussion related to the compensation of Staff, the Boards approved the following resolution:

***1501-01 Resolved, that the Board approves the reorganization of staff as outlined on the organization chart and supplemental documents provided. In addition, the Board requests Staff research and develop performance metrics that would be tied to compensation.***

Mr. Renne called the closed session back to order at 11:41 a.m.

**ERS-Annual Review, Private Equity:** Mr. Esen reviewed the executive summary discussing the commitments made during the last twelve months. Ms. Herman noted that the ERS was not able to obtain an allocation to OrbiMed due to the fund being oversubscribed. In addition, she noted the approval of the Staff Investment Committee of a commitment of up to \$9 million to

Franklin Park Venture Series 2015. Mr. Atkins discussed the performance of the program and the recommended 2015 commitment pacing.

Following discussion by the Board, Ms. Simpson moved, and Mr. Locke seconded, and the Board approved the following resolution.

**1501-02**      ***Resolved, that the Board (a) maintain the current policy targets and investment guidelines; (b) seek to commit approximately \$93 million in 2015; and (c) allocate the commitments to approximately six funds.***

**Defined Contribution Plans - PIMCO Update:** Mr. Paoli presented an update on the work staff had performed related to the high yield offering. Mr. Paoli discussed the candidates, noting the semi finalists included the possible unitization of Loomis Sayles and Nomura. Staff will continue the evaluation of a replacement, noting that the current performance of PIMCO's high yield fund continues to be stable.

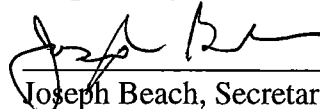
**Due Diligence Report:** Ms. Herman noted Staff's due diligence reports and requested that the Board consider obtaining future reports online through the Board's new online system. The Board approved staff's request.

**Board Counsel Report- Contracts:** Ms. Moskowitz noted the documents approved by the Executive Director since the last Board meeting.

**Approval of Minutes:** Ms. Simpson moved, and Ms. Wurdeman seconded, and the Board approved the minutes of the November 21, 2014 meeting. Mr. Locke and Mr. Berkelaar abstained.

The closed session of the Board meeting was adjourned at 12:00 p.m.

Respectfully submitted,

  
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Joseph Beach, Secretary